

To: North Lily  
file  
m/023/007

May 15, 2000

**RECEIVED**

Mr. Don Ostler, P.E.  
Director  
Utah Division of Water Quality  
288 North 1460 West  
P.O. Box 144870  
Salt Lake City, Utah 84114-4870

MAY 16 2000

DIVISION OF  
OIL, GAS AND MINING

Via Fax  
(801) 538-6016  
(w/ attach.)

Re: Notice of Violation and Order, Docket No. UGW-20-04, Order 4: Cease and Desist  
Utilizing All Three storage Ponds

Dear Mr. Ostler:

North Lily Mining Company's (North Lily) requests that the Division of Water Quality (DWQ) extend the period of time set forth in item number 4 of the Order which now requires cessation or restoration of the three solution ponds at its Silver City, Utah facility by May 19, 2000. As discussed with the Division, continued use of the solution ponds for fluid management and water retention is necessary. Accordingly, North Lily requests that the ponds be authorized for use until at least August 31, 2000. The pregnant pond is necessary for leach pad drain-down fluid management and the other two ponds are necessary for continued use as retention ponds for the water that is currently stored in them. ✓

North Lily submitted a Revised Reclamation/Closure Implementation Plan and schedule to both DWQ and the Division of Oil Gas and Mining on April 14, 2000. In a letter dated May 8, 2000, DOGM indicating its acceptance of the proposed schedule, while noting that revisions to the schedule (dates) were necessary, and requiring that a further revised schedule be submitted within three days following receipt of the letter. North Lily submitted (by facsimile) this schedule to DOGM on May 11, 2000 (with copies to DWQ). Another copy of the current proposed Reclamation/Closure Schedule is also attached to this letter for DWQ's review and consideration. This schedule has been prepared by JBR Environmental Consultants, Inc. on behalf of and in conjunction with North Lily. As indicated on the schedule and as DWQ knows from its recent site visit, closure work commenced during the week of May 8, 2000.

Currently one of the three ponds, the pregnant pond, is being used actively for fluid management. The barren and overflow ponds contain water that remains from past operations and storm events, but the ponds are not being used for active fluid management. North Lily therefore requests that the barren and overflow ponds be authorized to remain as water retention ponds

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until this water can be transferred to the pregnant pond for disposal through the enhanced evaporation system that is yet to be constructed. It is estimated that the barren and overflow ponds will be emptied of water no later than August 31, 2000.

North Lily appreciates the cooperation and advice received from DWQ as North Lily has been responding to the requirements of the Notice of Violation and Order. Please contact the undersigned or Mr. Stephen Flechner of North Lily at 303.294.0427 with any questions you may have.

Sincerely,

*Robert J. Bayer*

Robert J. Bayer  
Vice President

cc: Dennis Frederick, DWQ  
Fred Pehrson, DWQ  
Beth Wondimu, DWQ  
✓ Mary Ann Wright, Division of Oil Gas and Mining  
Stephen Flechner, North Lily Mining Company  
Mike Keller, VanCott Bagley

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